

ILLINOIS COMMERCE COMMISSION
DATA REQUEST

REQUEST NUMBERS MGM 3.01 – MGM 3.19

Utility Company: MidAmerican Energy Company
Docket No.: 01-0444
Date of Response: August 14, 2001

MGM 3.09 Please provide all pertinent information regarding the samples of regulated electric and gas utilities used in Dr. Morin's Allowed Risk Premium analysis, including a complete list of the companies in the sample and the corresponding allowed return data used, the dates of the regulatory Orders, the jurisdictions, and concurrent T-bond and utility bond rates. Also, provide a list of allowed returns not included in the sample and the reasons for their exclusion. Please provide the spreadsheet or program used to perform the regression calculation. If possible, provide this in electronic format.

Response:

With reference to the first allowed ROE Risk Premium Analysis of Dr. Morin's testimony, the annual allowed ROE data was taken from Regulatory Research Associates, Inc.'s ("*Regulatory Focus*", Major Rate Case Decisions – January 1998 - December 2000, Supplemental Study, January 21, 2001) comprehensive survey of 425 ROE decisions by regulators over the period 1987-2000 for electric utilities. The allowed ROE data are shown in the table below. The source document is available from Regulatory Research Associates by paid commercial subscription only. The prevailing yield on long-term Treasury bonds for each year was subtracted from the average authorized ROE each year to arrive at the authorized risk premium for that year.

	ROE Electric	Bond Yield	Risk Premium
1987	13.0	8.6	4.4
1988	12.8	9.0	3.8
1989	13.0	8.5	4.5
1990	12.7	8.6	4.1
1991	12.6	8.1	4.4
1992	12.1	7.7	4.4
1993	11.4	6.6	4.8
1994	11.3	7.4	4.0

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MidAmerican Exhibit No. 8.4

Witness _____

Date 8/14/01 Replied Per _____

1995	11.6	6.9	4.7
1996	11.4	6.7	4.7
1997	11.4	6.6	4.8
1998	11.7	5.6	6.1
1999	10.8	5.9	4.9
2000	11.4	6.0	5.4
Mean	11.9	7.3	4.6

With reference to the second allowed ROE Risk Premium Analysis of Dr. Morin's testimony, the annual allowed ROE data was taken from Regulatory Research Associates, Inc.'s ("*Regulatory Focus*", Major Rate Case Decisions – January 1998 - December 2000, Supplemental Study, January 2001) comprehensive survey of 339 ROE decisions by regulators over the period 1987-2000 for gas utilities. The allowed ROE data are shown in the table below. The source document is available from Regulatory Research Associates by paid commercial subscription only. The prevailing yield on long-term Treasury bonds for each year was subtracted from the average authorized ROE each year to arrive at the authorized risk premium for that year.

	ROE Gas	Bond Yield	Risk Premium
1987	12.7	8.6	4.2
1988	12.9	9.0	3.9
1989	12.9	8.5	4.4
1990	12.7	8.6	4.1
1991	12.5	8.1	4.3
1992	12.0	7.7	4.3
1993	11.4	6.6	4.8
1994	11.4	7.4	4.0
1995	11.4	6.9	4.6
1996	11.2	6.7	4.5
1997	11.3	6.6	4.7
1998	11.5	5.6	5.9
1999	10.7	5.9	4.8
2000	11.4	6.0	5.4
Mean	11.8	7.3	4.6

The statistical output and statistical regression with the risk premium as the dependent variable and interest rates as the independent variable were performed routinely using the standard electronic OLS regression function supplied in the Lotus 123 software.